

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** 05/17/2012

**POSITION:** Neutral

**SPONSOR:** Golden Empire Transit District and Sacramento  
Regional Transit District

**BILL NUMBER:** SB 1068

**AUTHOR:** Rubio, Michael

### **BILL SUMMARY: Public Construction Act: Transit Districts**

This bill would authorize the Golden Empire Transit District (GET) and the Sacramento Regional Transit District (RT) to utilize either the "best value" or the lowest responsible bidder standard for the procurement of supplies, equipment, and materials that are over \$100,000. In addition, a three quotation minimum shall be required if the procurement is expected to exceed \$3,000 but does not exceed \$100,000.

In addition, this bill defines the term "best value."

### **FISCAL SUMMARY**

This bill would likely result in cost savings to GET and RT by streamlining their respective procurement processes. In the event that either transit district incurs additional costs associated with this bill, these costs would not be reimbursable because it would be as result of a local request. The bill contains an appropriate "local request" state-mandated cost disclaimer.

### **SUMMARY OF CHANGES**

Amendments to this bill since our analysis on April 9, 2012 version are minor and do not change our position.

This bill has been amended to reflect a more definitive procedure for procurement when the amount of the purchase exceeds \$3,000 but does not exceed \$100,000. A "local request" state-mandated cost disclaimer has also been added.

### **COMMENTS**

This bill would have no state fiscal impact and concerns a policy matter on which we are neutral.

Existing law establishes competitive bidding requirements for supplies, equipment, and materials purchased by GET that exceed \$10,000. Existing law establishes similar competitive bidding requirements for purchase by RT that exceed \$40,000. This bill would increase the competitive bidding threshold for these entities to \$100,000.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					
	LA	(Dollars in Thousands)					
	CO	PROP					Fund
	RV	98	FC	2012-2013 FC	2013-2014 FC	2014-2015	Code
2840/Mandate-BT&H	UN	No		----- No/Minor Fiscal Impact -----			0001

Analyst/Principal (0752) M.Almy	Date	Program Budget Manager Kristin Shelton	Date
Department Deputy Director			Date
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)